

BOROUGH OF WOODBINE

CAPE MAY COUNTY

NEW JERSEY

AUDIT REPORT

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

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BOROUGH OF WOODBINE

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2013

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FORD - SCOTT

& ASSOCIATES, L.L.C.

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Independent Auditor's Report

The Honorable Mayor and
Members of Borough Council
Borough of Woodbine, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodbine, as of December 31, 2013 and 2012, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles.

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Woodbine on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the the United States of America, the financial position of each fund of the Borough of Woodbine as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2013 and 2012, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2013 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodbine's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of expenditures of federal financial assistance and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014 on our consideration of the Borough of Woodbine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodbine's internal control over financial reporting and compliance.

Kenneth Moore

Kenneth Moore, CPA, RMA #231

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

February 14, 2014

EXHIBIT A - CURRENT FUND

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**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Cash:		
Cash Treasurer	\$ 1,555,611.18	631,717.40
Investments	359,000.00	509,000.00
Cash - Change	300.00	300.00
Total Cash	<u>1,914,911.18</u>	<u>1,141,017.40</u>
Other Receivables:		
Due from State - Chapter 20 P.L. 1971	1,303.00	1,203.96
Total Other Receivables	<u>1,303.00</u>	<u>1,203.96</u>
Receivables and Other Assets with Full Reserves:		
Delinquent Property Taxes Receivable	92,110.40	97,849.84
Tax Title and Other Liens	16,405.09	8,373.43
Property Acquired for Taxes - at Assessed Valuation	570,400.00	570,400.00
Revenue Accounts Receivable	275,150.59	321,871.22
Interfund Receivable:		
Grant Fund	1,801.65	610,184.64
Total Receivables and Other Assets	<u>955,867.73</u>	<u>1,608,679.13</u>
Total Regular Fund	<u>2,872,081.91</u>	<u>2,750,900.49</u>
Federal and State Grant Fund:		
Cash	-	1.80
Federal and State Grants Receivable	1,482,026.69	2,441,273.24
Due from Current Fund	32,234.78	-
Total Federal and State Grant Fund	<u>1,514,261.47</u>	<u>2,441,275.04</u>
Total Current Fund	<u>\$ 4,386,343.38</u>	<u>5,192,175.53</u>

**CURRENT FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>2013</u>	<u>2012</u>
Regular Fund:		
Liabilities:		
Appropriation Reserves	\$ 149,793.59	102,854.22
Reserve for Encumbrances	19,716.47	42,963.78
Prepaid Taxes	66,652.68	117,426.75
Overpaid Taxes	4,911.60	877.86
Local School Tax Payable	390,274.92	346,197.48
County Added Tax Payable	350.49	1,045.68
Interfund Payable:		
Trust Fund	-	25,167.69
Capital	359,546.68	293,639.39
Grant Fund	32,234.78	-
CDBG	-	1,500.00
Other		
Reserve for Pinelands Property Tax Stabilization Aid	-	615.00
Reserve for Land Sale Deposits	-	8,436.00
Reserve for Sale of Municipal Assets	-	59,438.00
	<u>1,023,481.21</u>	<u>1,000,161.85</u>
Reserve for Receivables and Other Assets	955,867.73	1,608,679.13
Fund Balance	<u>892,732.97</u>	<u>142,059.51</u>
Total Regular Fund	<u>2,872,081.91</u>	<u>2,750,900.49</u>
Federal and State Grant Fund:		
Unappropriated Reserves	3,254.23	4,402.33
Appropriated Reserves	1,429,807.77	1,592,237.25
Encumbrances Payable	79,397.82	88,943.53
Due to Current Fund	1,801.65	610,184.64
Due to Capital Fund	-	145,507.29
Total Federal and State Grant Fund	<u>1,514,261.47</u>	<u>2,441,275.04</u>
Total Current Fund	<u>\$ 4,386,343.38</u>	<u>5,192,175.53</u>

**CURRENT FUND
COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
IN FUND BALANCE - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Revenue and Other Income Realized		
Fund Balance	\$ 60,750.00	218,000.00
Miscellaneous Revenue Anticipated	1,354,863.66	2,631,401.00
Receipts from Delinquent Taxes	78,093.38	89,902.00
Receipts from Current Taxes	2,338,146.25	2,220,210.00
Non Budget Revenue	159,563.53	245,765.51
Other Credits to Income:		
Unexpended Balance of Appropriation Res.	110,813.98	120,638.00
Interfund Returned	482,595.06	
Total Income	<u>4,584,825.86</u>	<u>5,525,916.51</u>
Expenditures		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS"		
Operations:		
Salaries and Wages	384,750.00	383,699.00
Other Expenses	868,850.00	849,350.00
Deferred Charges & Statutory Expenditures	59,376.00	69,562.00
Appropriations Excluded from "CAPS"		
Operations:		
Salaries and Wages	-	
Other Expenses	165,806.49	1,247,777.00
Capital Improvements	24,838.00	490,000.00
Debt Service	162,895.52	137,896.00
Deferred Charges	-	
Transferred to Board of Education	6,962.00	6,767.00
Local District School Tax	1,514,552.00	1,426,397.00
County Tax	465,178.88	447,717.00
County Share of Added Tax	350.49	1,046.00
Interfund Created		423,496.00
Refund of Prior Year's Revenue	119,843.02	
Total Expenditures	<u>3,773,402.40</u>	<u>5,483,707.00</u>
Excess/(Deficit) in Revenue	<u>811,423.46</u>	<u>42,209.51</u>

**CURRENT FUND
 COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES
 IN FUND BALANCE - REGULATORY BASIS
 FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Adjustments to Income before Fund Balance:		
Expenditures included above which are by		
Statute Deferred Charges to Budgets of		
Succeeding Year		-
Emergency Appropriation		
Total Adjustments	-	-
Statutory Excess to Fund Balance	811,423.46	42,209.51
Fund Balance January 1	142,059.51	317,850.00
	953,482.97	360,059.51
Decreased by:		
Utilization as Anticipated Revenue	60,750.00	218,000.00
Fund Balance December 31	\$ 892,732.97	142,059.51

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Anticipated		Excess or (Deficit)
	Budget	N.J.S. 40A:4-87	
Fund Balance Anticipated	\$ 60,750.00		-
Total Fund Balance Anticipated	<u>60,750.00</u>	<u>-</u>	<u>-</u>
Miscellaneous Revenues:			
Section A: Local Revenues			
Licenses:			
Alcoholic Beverages	10,000.00		-
Interest and Costs on Taxes	13,000.00		1,784.69
Total Section A: Local Revenues	<u>23,000.00</u>	<u>-</u>	<u>1,784.69</u>
Section B: State Aid Without Offsetting Appropriations			
Consolidated Municipal Property Tax Relief	72,216.00		-
Energy Receipts Tax	217,321.00		0.46
Total Section B: State Aid Without Offsetting Appropriations	<u>289,537.00</u>	<u>-</u>	<u>0.46</u>
Section F: Special Items - Public and Private Programs			
Off-Set with Appropriations			
Clean Communities	-	7,218.39	-
Recycling Tonnage Grant	4,402.00		-
Municipal Alliance	-	6,062.00	-
HDFSR	34,729.00		-
Alcohol Rehabilitation		211.10	-
Total Section F: Special Items - Public and Private Programs			

Off-Set with Appropriations	39,131.00	13,491.49	52,622.49	-
Section G: Other Special Items				
Host Communities Benefits - Cape May County MUA	420,000.00		523,121.87	103,121.87
State Police Lease	125,000.00		129,915.00	4,915.00
Woodbine MUA Contribution	30,448.00		34,882.15	4,434.15
Woodbine MUA Contribution	75,000.00		75,000.00	-
Interfund Returned	150,000.00		150,000.00	-
Capital Surplus	75,000.00		75,000.00	-
Total Section G: Other Special Items	875,448.00	-	987,919.02	112,471.02
Total Miscellaneous Revenues:	1,227,116.00	13,491.49	1,354,863.66	114,256.17
Receipts from Delinquent Taxes	75,000.00		78,093.38	3,093.38
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	415,658.00		476,597.88	60,939.88
Total Amount to be Raised by Taxes for Support of Municipal Budget	415,658.00	-	476,597.88	60,939.88
Budget Totals	1,778,524.00	13,491.49	1,970,304.92	178,289.43
Non- Budget Revenues:				
Other Non- Budget Revenues:			159,563.53	159,563.53
	1,778,524.00	13,491.49	2,129,868.45	337,852.96

The accompanying notes are an integral part of these financial statements.

**CURRENT FUND
STATEMENT OF REVENUES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

Analysis of Realized Revenues

Allocation of Current Tax Collections:

Revenue from Collections	2,338,146.25
Less: Reserve for Tax Appeals Pending	<u>-</u>
Net Revenue from Collections	2,338,146.25
Allocated to:	
School, County and Other Taxes	<u>1,980,081.37</u>
Balance for Support of Municipal Budget Appropriations	358,064.88
Increased by:	
Appropriation "Reserved for Uncollected Taxes"	<u>118,533.00</u>
Amount for Support of Municipal Budget Appropriations	<u><u>476,597.88</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collection	75,332.89
Tax Title Lien Collections	<u>2,760.49</u>
Total Receipts from Delinquent Taxes	<u><u>78,093.38</u></u>

Analysis of Non-Budget Revenue:

Miscellaneous Revenue Not Anticipated:

Municipal Court	10,790.77
Miscellaneous	2,900.02
Mercantile Licenses	2,925.00
Tax Office	3,100.00
Interest on Investments	391.71
Cable Fees	7,280.16
Leases	701.00
911 Agreement	7,388.89
Rental Registration	9,760.00
Payment in Lieu of Taxes	496.21
Recycling Rebate	2,719.30
Health Insurance Reimbursements	7,296.02
JIF Reimbursements	1,750.00
Copies	683.00
Zoning Fees	3,586.14
FEMA Reimbursement	2,637.54
Cancellation of Reserves	68,489.00
Cancellation of Interfunds	<u>26,668.77</u>
Total Miscellaneous Revenue Not Anticipated:	<u><u>159,563.53</u></u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
OPERATIONS WITHIN "CAPS"						
GENERAL GOVERNMENT:						
Administrative and Executive						
Salaries and Wages	\$ 72,000.00	72,000.00	71,160.00		840.00	-
Other Expenses						
Other Professional Services	31,800.00	31,800.00	29,150.00	2,650.00		-
Miscellaneous Other Expenses	-	-				-
Mayor and Council						
Salaries and Wages	96,000.00	96,000.00	96,000.00			-
Other Expenses	5,500.00	5,500.00	3,340.00		2,160.00	-
Municipal Clerk						
Salaries and Wages	27,250.00	27,250.00	27,250.00			-
Other Expenses	14,000.00	14,000.00	8,994.95	2,785.26	2,219.79	-
Central Purchasing						
Other Expenses	4,000.00	4,500.00	3,341.35	353.55	805.10	-
Financial Administration						
Salaries and Wages	61,000.00	61,000.00	60,165.77		834.23	0.00
Other Expenses	17,000.00	17,000.00	16,253.49	196.09	550.42	-
Audit Services						
Other Expenses	27,250.00	27,250.00	27,250.00			-
Assessment of Taxes						
Salaries and Wages	18,200.00	18,200.00	18,200.00			-
Other Expenses	5,500.00	5,500.00	1,304.55		4,195.45	-
Collection of Taxes						
Salaries and Wages	39,600.00	39,600.00	38,915.49		684.51	0.00
Other Expenses	4,000.00	4,000.00	3,005.56		994.44	-
Liquidation of Tax Title Liens and Foreclosed Property						
Other Expenses	100.00	100.00			100.00	-
Legal Services and Costs						
Other Expenses	60,000.00	60,000.00	50,218.56		9,781.44	-
Municipal Court						
Other Expenses	500.00	500.00	499.33		0.67	0.00
Engineering Services and Costs						
Other Expenses	20,000.00	20,000.00	15,488.95	200.00	4,311.05	-
Public Buildings and Grounds						
Other Expenses	33,000.00	38,000.00	23,595.27	7,302.91	7,101.82	-
Municipal Land Use Law (N.J.S.A. 40:55 D-1)						
Planning and Zoning Board						
Salaries and Wages	9,800.00	9,800.00	9,800.00			-
Other Expenses						

The accompanying notes are an integral part of these financial statements.

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Legal	6,000.00	6,000.00	4,446.20	1,553.80	-	
Miscellaneous Other Expenses	6,000.00	6,000.00	4,500.00	1,500.00	-	
Insurance N.J.S.A. 40A:4-45.3(00)						
Other Insurance Premiums	14,050.00	14,050.00	13,956.00	94.00	-	
Workers Compensation	31,250.00	31,250.00	31,250.00	-	-	
Employee Group Health	132,000.00	132,000.00	117,981.98	14,018.02	-	
Small Business Development						
Other Expenses	100.00	100.00		100.00	-	
Insurance						
Unemployment Compensation Insurance	2,000.00	2,000.00	1,595.76	404.24	-	
PUBLIC SAFETY						
Volunteer Fire Company - Contribution	34,000.00	34,000.00	34,000.00	-	-	
Interlocal Agreement with First Aid Organization	50,000.00	50,000.00	50,000.00	-	-	
Sub-Code Officials						
Code Enforcement						
Salaries and Wages	3,500.00	3,500.00	3,500.00	-	-	
Other Expenses	250.00	250.00		250.00	-	
Zoning and Housing Inspector						
Salaries and Wages	8,300.00	8,300.00	8,300.00	-	-	
Other Expenses	250.00	250.00		250.00	-	
Emergency Management						
Salaries and Wages	4,400.00	4,400.00	3,892.31	507.69	-	
Other Expenses	2,000.00	2,000.00	1,055.00	945.00	-	
School Crossing Guard						
Salaries and Wages	13,000.00	13,000.00	10,260.00	2,740.00	-	
Other Expenses	500.00	500.00	313.75	186.25	-	
STREETS AND ROADS						
Road Repairs and Maintenance						
Salaries and Wages	34,000.00	28,000.00	13,744.82	14,255.18	-	
Other Expenses	21,500.00	16,500.00	2,149.83	219.80	-	
Solid Waste (P.L. 1987, Ch.74)						
Garbage/Recycling Removal						
Other Expenses	75,400.00	75,400.00	75,400.00	-	-	
Contractual	65,000.00	65,000.00	52,329.55	12,670.45	-	
Tipping Fee						
Recycling						
Other Expenses	100.00	100.00		100.00	-	

The accompanying notes are an integral part of these financial statements.

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
HEALTH AND WELFARE						
Board of Health	100.00	100.00			100.00	-
Other Expenses						
Dog Regulation						
Other Expenses						
Contractual	8,400.00	8,400.00	8,388.00		12.00	-
County Shelter	12,600.00	12,600.00	12,512.00		88.00	-
Misc.	1,200.00	1,700.00	1,358.78		341.22	-
RECREATION AND EDUCATION						
Parks and Playgrounds						
Salaries and Wages	3,700.00	3,700.00	3,700.00			-
Other Expenses	20,000.00	25,000.00	21,524.96	158.63	3,316.41	-
Public Relations/Community Events						
Other Expenses	1,000.00	1,000.00	201.69		798.31	-
UNCLASSIFIED						
Telephones/Communications	11,500.00	11,500.00	9,629.19	1,083.33	787.48	-
Electric	68,000.00	68,000.00	62,415.30		5,584.70	-
Water	2,500.00	2,500.00	1,817.50		682.50	-
Heating and Fuel	34,000.00	34,000.00	22,924.62	1,060.15	10,015.23	-
Postage	3,500.00	3,500.00	3,500.00			-
Street Lighting	37,000.00	37,000.00	27,467.78	2,806.75	6,725.47	-
TOTAL OPERATIONS WITHIN "CAPS"	1,253,600.00	1,253,600.00	1,108,048.29	18,816.47	126,735.24	0.00
Contingent						
TOTAL OPERATIONS INCLUDING CONTINGENT WITHIN "CAPS"	1,253,600.00	1,253,600.00	1,108,048.29	18,816.47	126,735.24	0.00
Detail:						
Salaries and Wages	390,750.00	384,750.00	364,888.39	-	19,861.61	0.00
Other Expenses	862,850.00	868,850.00	743,159.90	18,816.47	106,873.63	0.00
DEFERRED CHARGES AND STATUTORY EXPENDITURES:						
Statutory Expenditures:						

The accompanying notes are an integral part of these financial statements.

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Contributions to:						
Public Employees' Retirement System	28,376.00	28,376.00	28,376.00			-
Social Security System (O.A.S.I.)	30,000.00	30,000.00	27,344.37		2,655.63	-
Defined Contribution Retirement Program	1,000.00	1,000.00			1,000.00	-
TOTAL DEFERRED CHARGES AND STATUTORY EXPENDITURES:	59,376.00	59,376.00	55,720.37	-	3,655.63	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES WITHIN "CAPS"	1,312,976.00	1,312,976.00	1,163,768.66	18,816.47	130,390.87	0.00
OPERATIONS - EXCLUDED FROM "CAPS"						
(A) Operations - Excluded from "CAPS"						
Municipal Stormwater	1,500.00	1,500.00	875.00		625.00	-
Street Division OE						
Shared Service Agreements						
Dispatcher						
Other Expenses	49,260.00	49,260.00	49,259.28		0.72	0.00
Municipal Court Services						
Other Expenses	62,424.00	62,424.00	62,424.00			-
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	113,184.00	113,184.00	112,558.28	-	625.72	0.00
(A) Public and Private Programs Off-Set by Revenues						
Municipal Alliance Program						
Grant Share	6,062.00	6,062.00	6,062.00			-
Local Share	-	-	-			-
Clean Communities Program	7,218.39	7,218.39	7,218.39			-
HDFSR	34,729.00	34,729.00	34,729.00			-
Recycling Tonnage Grant	4,402.00	4,402.00	4,402.00			-
Municipal Alcohol Education/Rehabilitation	211.10	211.10	211.10			-
Total Public and Private Programs Off-Set by Revenues	52,622.49	52,622.49	52,622.49	-	-	-
Total Operations - Excluded from "CAPS" Detail:	165,806.49	165,806.49	165,180.77	-	625.72	0.00

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Paid or Charged	Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications		Encumbered	Reserved	
Salaries and Wages	-	-	-	-	-	-
Other Expenses	165,806.49	165,806.49	165,180.77	-	625.72	0.00
(C) Capital Improvements						
Capital Improvement Fund	-	-	-	-	-	-
Various Improvements and Infrastructure	19,838.00	19,838.00	2,500.00	900.00	17,338.00	-
Public Facilities Upgrade	5,000.00	5,000.00	2,661.00		1,439.00	-
Road Reconstruction	-	-	-	-	-	-
Total Capital Improvements	<u>24,838.00</u>	<u>24,838.00</u>	<u>5,161.00</u>	<u>900.00</u>	<u>18,777.00</u>	<u>-</u>
(D) Debt Service						
Payment of Bond Anticipation Notes	150,000.00	150,000.00	150,000.00			-
Green Trust Loan Program:						
Loan Repayments for Principal and Interest	12,900.00	12,900.00	12,895.52			4.48
Total Debt Service	<u>162,900.00</u>	<u>162,900.00</u>	<u>162,895.52</u>	<u>-</u>	<u>-</u>	<u>4.48</u>
(E) Deferred Charges						
Emergency Authorizations	-	-	-	-	-	-
Special Emergency Authorizations - 5 years	-	-	-	-	-	-
Special Emergency Authorizations - 3 years	-	-	-	-	-	-
Total Deferred Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(N) Transferred to Board of Education for Use of Local Schools	6,962.00	6,962.00	6,962.00			-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	<u>360,506.49</u>	<u>360,506.49</u>	<u>340,199.29</u>	<u>900.00</u>	<u>19,402.72</u>	<u>4.48</u>
SUBTOTAL GENERAL APPROPRIATIONS	<u>1,673,482.49</u>	<u>1,673,482.49</u>	<u>1,503,967.95</u>	<u>19,716.47</u>	<u>149,793.59</u>	<u>4.48</u>
(M) Reserve for Uncollected Taxes	118,533.00	118,533.00	118,533.00			-
TOTAL GENERAL APPROPRIATIONS	<u>\$ 1,792,015.49</u>	<u>1,792,015.49</u>	<u>1,622,500.95</u>	<u>19,716.47</u>	<u>149,793.59</u>	<u>4.48</u>

**CURRENT FUND
STATEMENT OF EXPENDITURES - REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Appropriations		Expended		(Over expended) Unexpended Balance Cancelled
	Budget	Budget After Modifications	Paid or Charged	Encumbered Reserved	
Budget					
Appropriations by 40A:4-87		1,778,524.00			4.48
Emergency Appropriations		13,491.49			-
		<u>1,792,015.49</u>			<u>4.48</u>
Reserve for Uncollected Taxes			118,533.00		
Federal and State Grants			52,622.49		
Deferred Charges			-		
Capital Improvement Fund			150,000.00		
Payment of Bond Anticipation Notes			1,301,345.46		
Disbursements			<u>1,622,500.95</u>		
				Cancelled	
				Overexpended	

The accompanying notes are an integral part of these financial statements.

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EXHIBIT B - TRUST FUNDS

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TRUST FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Dog License Fund:		
Cash	\$ 766.46	382.67
Due from State of New Jersey	-	-
	<u>766.46</u>	<u>382.67</u>
Other Funds:		
Cash - Treasurer	57,124.24	49,383.18
Cash - Collector	4,166.76	18,596.05
Small Cities Loans Receivable	508,001.00	329,852.00
Emergency Loans Receivable	65,192.00	51,885.00
Due from Current Fund	0.00	26,667.69
	<u>634,484.00</u>	<u>476,383.92</u>
	<u>635,250.46</u>	<u>476,766.59</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Dog License Fund:		
Due to Current Fund	-	-
Due to State of New Jersey	4.20	
Reserve for Dog Fund Expenditures	762.26	382.67
	<u>766.46</u>	<u>382.67</u>
Other Funds:		
Due to Current Fund	-	-
Reserve for Loans Receivable	573,193.00	381,737.00
Miscellaneous Reserves	61,291.00	94,646.92
	<u>634,484.00</u>	<u>476,383.92</u>
Total	\$ <u>635,250.46</u>	<u>476,766.59</u>

The accompanying notes are an integral part of these financial statements.

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EXHIBIT C - GENERAL CAPITAL FUND

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**GENERAL CAPITAL FUND
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
AS OF DECEMBER 31,**

<u>ASSETS</u>	<u>2013</u>	<u>2012</u>
Cash	\$ -	-
Deferred Charges to Future Taxation -		
Funded	43,382.56	55,232.44
Unfunded	359,000.00	509,000.00
Interfunds and Receivables		
Due from Current Fund	359,546.68	293,640.00
Due from Grant Fund		145,508.00
	<u>761,929.24</u>	<u>1,003,380.44</u>
 <u>LIABILITIES, RESERVES AND FUND BALANCE</u>		
Encumbrances Payable	13,000.00	17,635.00
Bond Anticipation Notes Payable	359,000.00	359,000.00
Green Trust Loan Payable	43,382.56	55,232.44
Improvement Authorizations:		
Funded	68,439.39	68,404.14
Unfunded	-	-
Reserve for Debt Service		
Capital Improvement Fund	233,320.00	233,320.00
Fund Balance	44,787.29	119,787.29
	<u>\$ 761,929.24</u>	<u>853,378.87</u>

There were bonds and notes authorized but not issued at December 31

2012	-
2013	-

**GENERAL CAPITAL FUND
COMPARATIVE STATEMENT OF FUND BALANCE -
REGULATORY BASIS
FOR THE YEAR ENDED DECEMBER 31,**

	2013	2012
Beginning Balance January 1	\$ 119,787.29	46,258.29
Increased by:		
Canceled Improvement Authorizations		73,529.00
Decreased by:		
Surplus budgeted in Current Fund	75,000.00	
Ending Balance December 31	\$ 44,787.29	119,787.29

EXHIBIT G - GENERAL FIXED ASSETS

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**GENERAL FIXED ASSETS ACCOUNT GROUP
COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
REGULATORY BASIS**

	<u>Balance Dec. 31, 2013</u>	<u>Balance Dec. 31, 2012</u>
General Fixed Assets:		
Land and Buildings	\$ 9,262,543.00	\$ 9,262,543.00
Machinery and Equipment	<u>1,359,767.00</u>	<u>1,359,767.00</u>
Total General Fixed Assets	<u>10,622,310.00</u>	<u>10,622,310.00</u>
Investment in General Fixed Assets	\$ <u>10,622,310.00</u>	\$ <u>10,622,310.00</u>

The accompanying notes are an integral part of these financial statements.

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**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Except as noted below, the financial statements of the Borough of Woodbine include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Borough of Woodbine, as required by N.J.S. 40A:5-5.

Component units are legally separate organizations for which the entity is financially accountable. The entity is financially accountable for an organization if the entity appoints a voting majority of the organization's governing board and (1) the entity is able to significantly influence the programs or services performed or provided by the organization; or (2) the entity is legally entitled to or can otherwise access the organization's resources; the entity is legally obligated or has otherwise assumed the responsibility to finance the deficits of or provide financial support to the organization; or the entity is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the entity in that the entity approves the budget, the issuance of debt or the levying of taxes. The Woodbine Municipal Utilities Authority, P.O. Box 473, Woodbine, NJ 08270 and the Woodbine Port Authority, P.O. Box 144, Woodbine, NJ 08270 are component units of the Borough of Woodbine and both have annual audits which can be obtained at their offices.

B. Description of Funds

The accounting policies of the Borough of Woodbine conform to the accounting principles applicable to municipalities which have been prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with the respect to public funds. Under this method of accounting, the Borough of Woodbine accounts for its financial transactions through the following separate funds:

Current Fund -- resources and expenditures for governmental operations of a general nature, including Federal and State grant funds.

Trust Funds -- receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund -- receipt and disbursement of funds for the acquisition of general facilities, other than those acquired in the Current Fund.

General Fixed Assets Account Group -- All fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the general fixed assets account group, rather than in governmental funds.

C. Basis of Accounting

The accounting principles and practices prescribed for municipalities by the State of New Jersey differ in certain respects from generally accepted accounting principles applicable to local governmental units. The more significant policies in New Jersey follow.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

A modified accrual basis of accounting is followed with minor exceptions.

Revenues -- are recorded as received in cash except for certain amounts, which are due from other governmental units. Receipts from Federal and State grants are realized as revenue when anticipated in the entity budget. Receivables for property taxes are recorded with offsetting reserves on the balance sheet of the entity's Current Fund. Other amounts that are due to the entity which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Expenditures -- are recorded on the "budgetary" basis of accounting. Generally expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with the Encumbrance Accounting System. Outstanding encumbrances at December 31 are reported as a cash liability in the financial statements. Appropriation reserves covering unencumbered appropriation balances are automatically created at December 31st of each year and recorded as liabilities, except for amounts which may be canceled by the Governing Body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding fiscal year. Lapsed appropriation reserves are recorded as income. Appropriations for principal payments on outstanding general capital bonds and notes are provided on the cash basis; interest on general capital indebtedness is on the cash basis. Compensated absences are treated on a pay as you go basis with no amount charged to operations in the year incurred.

Foreclosed Property -- Foreclosed property is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved.

Interfunds -- Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The cost of inventories is not included on the various balance sheets.

General Fixed Assets -- The entity has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

As required by New Jersey Statutes, foreclosed property is reported in the current operating fund of the municipality.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available except for land which is valued at estimated market value on the date of acquisition. Expenditures for long lived assets with an original cost in excess of \$1,000 are capitalized. No depreciation has been provided for in the financial statements.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

Levy of Taxes -- The County Board of Taxation certifies the tax levy of the municipality each year. The tax levy is based on the assessed valuation of taxable property within the municipality. Taxes are payable on the first day of February, May, August, and November. Any taxes that have not been paid by 11th day of the 11th month in the fiscal year levied are subject to being included in the tax sale and the lien enforced by selling the property in accordance with NJSA 54:5 et. seq.

The municipality is responsible for remitting 100% of the school and county taxes to the respective agency. The loss for delinquent or uncollectible accounts is borne by the municipality and not the school district or county.

Interest on Delinquent Taxes – It is the policy of the Borough of Woodbine to collect interest for the nonpayment of taxes or assessments on or before the date when they would become delinquent. The Tax Collector is authorized to charge eight percent (8%) per annum on the first \$1,500.00 of taxes becoming delinquent after due date and eighteen percent (18%) per annum on any amount of taxes in excess of \$1,500.00 becoming delinquent after due date and if a delinquency is in excess of \$10,000.00 and remains in arrears beyond December 31st, an additional penalty of six percent (6%) shall be charged against the delinquency. There is a ten day grace period.

Capitalization of Interest -- It is the policy of the Borough of Woodbine to treat interest on projects as a current expense and the interest is included in the current operating budget.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles or the statutory basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Required Financial Statements

The State of New Jersey requires the following financial statements to be presented for each fund on the regulatory basis of accounting: Balance Sheet, Statement of Operations and Changes in Fund Balance, Statement of Revenue and Statement of Expenditures. These statements differ from those presented under Generally Accepted Accounting Principles, which requires a Statement of Net Position and Statement of Activities in addition to the fund financial statements.

E. Comparative Data

Comparative total data for the prior year has been presented in the accompanying Balance Sheets and Statement of Operations in order to provide an understanding of changes in the entity's financial position. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in the Statement of Revenue-Regulatory Basis and Statement of Expenditures-Regulatory Basis since their inclusion would make the statements unduly complex and difficult to read.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

F. Recent Accounting Pronouncements Not Yet Effective

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67 "Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25". This statement, which is effective for fiscal periods beginning after June 15, 2013, will not have any effect on the entity's financial reporting.

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27". This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 69 "Government Combinations and Disposals of Government Operations". This statement, which is effective for fiscal periods beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

In April 2013, the Governmental Accounting Standards Board (GASB) issued Statement No. 70 "Accounting and Financial Reporting for Nonexchange Financial Guarantees". This statement, which is effective for fiscal years beginning after June 15, 2013, will not have any impact on the entity's financial statements.

In November 2013, Governmental Accounting Standards Board (GASB) issued Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68". The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level

Note 2: BUDGETARY INFORMATION

Under New Jersey State Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2013 and 2012 statutory budgets included a reserve for uncollected taxes in the amount of \$118,533 and \$107,402. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2013 and 2012 statutory budgets was \$60,750 and \$218,000.

The Chief Financial Officer has the discretion of approving intra department budgetary transfers throughout the year. Inter department transfers are not permitted prior to November 1. After November 1 these transfers can be made in the form of a resolution and approved by the Borough Council. The following significant budget transfers were approved in the 2013 and 2012 calendar years:

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
Building and Grounds		
Other Expenses	\$ 5,000	
Road Repairs and Maintenance		
Salaries	(6,000)	
Other Expenses	(5,000)	
Recreation		
Other Expenses	5,000	
Legal Expenses - Other Expenses		12,000
Electric		(5,000)
Street Lighting		5,000

NJSA 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2013 and 2012, the following significant budget insertions were approved:

<u>Budget Category</u>	<u>2013</u>	<u>2012</u>
Clean Communities Program	\$ 7,218.39	
Municipal Alliance	6,062.00	
Alcohol Education Rehabilitation	211.10	
FEMA		1,070,207.00

The entity may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. The entity did not approve any special emergency appropriation in 2013 or 2012.

Note 3: INVESTMENTS

As of December 31, 2013 the municipality has invested \$359,000 in its own bond anticipation notes maturing April 21, 2014 with interest at 0%.

Interest Rate Risk. The municipality does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Credit Risk. New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowable investments are Bonds of the United States of America or of the local unit or school districts of which the local unit is a part of: obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk. The municipality places no limit on the amount the entity can invest in any one issuer.

Note 4: CASH

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The municipality's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, all demand deposits are covered by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or fund that may pass to the municipality relative to the happening of a future condition. As of December 31, 2013 and 2012, \$0 of the municipality's bank balance of \$1,639,020.76 and \$775,923 was exposed to custodial credit risk.

Note 5: FIXED ASSETS

The following schedules are a summarization of the changes in general fixed assets for the calendar years ended December 31, 2013 and 2012:

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	Balance 12/31/2011	Additions	Retirements/ Adjustments	Balance 12/31/2012
Land, Buildings and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,330,954.00	28,813.00		1,359,767.00
	<u>\$ 10,593,497.00</u>	<u>28,813.00</u>	<u>-</u>	<u>10,622,310.00</u>

	Balance 12/31/2012	Additions	Retirements	Balance 12/31/2013
Land, Building and Improvements	\$ 9,262,543.00			9,262,543.00
Equipment and Machinery	1,359,767.00			1,359,767.00
	<u>10,622,310.00</u>	<u>-</u>	<u>-</u>	<u>10,622,310.00</u>

Note 6: SHORT-TERM OBLIGATIONS

	Balance 12/31/11	Issued	Retired	Balance 12/31/12
Bond Anticipation Notes payable:				
General	\$ 634,000.00		125,000.00	509,000.00
	<u>\$ 634,000.00</u>	<u>-</u>	<u>125,000.00</u>	<u>509,000.00</u>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13
Bond Anticipation Notes payable:				
General	\$ 509,000.00		150,000.00	359,000.00
	<u>\$ 509,000.00</u>	<u>-</u>	<u>150,000.00</u>	<u>359,000.00</u>

The note was issued on 4/21/13 and is due and payable 4/20/14 with interest at 0.0%. As of December 31, 2013 the entity has authorized but not issued bonds in the amount of \$0 in the General Capital Fund.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 7: LONG TERM DEBT

Long-term debt as of December 31, 2013 and 2012 consisted of the following:

	Balance 12/31/11	Issued	Retired	Balance 12/31/12	Amounts Due Within One Year
General	\$ 66,847.97		11,616.35	55,231.62	11,732.51
Compensated					
Absences Payable	12,601.00	3,900.00	4,001.00	12,500.00	-
Total long-term liabilities	<u>\$ 79,448.97</u>	<u>3,900.00</u>	<u>15,617.35</u>	<u>67,731.62</u>	<u>11,732.51</u>

	Balance 12/31/12	Issued	Retired	Balance 12/31/13	Amounts Due Within One Year
General	\$ 55,231.62		11,849.06	43,382.56	12,088.02
Compensated					
Absences Payable	12,500.00	2,226.92	2,226.92	12,500.00	-
Total long-term liabilities	<u>\$ 67,731.62</u>	<u>2,226.92</u>	<u>14,075.98</u>	<u>55,882.56</u>	<u>12,088.02</u>

Outstanding bonds whose principal and interest are paid from the Current Fund Budget of the entity:

\$142,000 Green Trust Loan dated June 1, 2004 for Lincoln Park Improvements in the Borough. This is a direct reduction loan payable semiannually with a balance due on December 31, 2013 of \$43,382.56. The loan is payable semiannually on January 27 and July 27. Interest is calculated at 2%. The final payment is due January 27, 2017.

Schedule of Annual Debt Service for Principal and Interest for Loans Issued and Outstanding

Year	General Fund	
	Principal	Interest
2014	\$ 12,088.02	807.50
2015	12,330.99	564.53
2016	12,578.84	206.68
2017	6,384.71	63.84
	<u>43,382.56</u>	<u>1,642.55</u>

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

<u>Summary of Municipal Debt</u>	<u>Year 2013</u>	<u>Year 2012</u>	<u>Year 2011</u>
<u>Issued:</u>			
Bond Anticipation Notes	\$ 359,000.00	509,000.00	634,000.00
Green Trust Loan Payable	43,381.78	55,231.62	66,847.97
Total Issued	<u>402,381.78</u>	<u>564,231.62</u>	<u>700,847.97</u>
Total Bonds & Notes Issued and Authorized But Not Issued	\$ <u>402,381.78</u>	<u>564,231.62</u>	<u>700,847.97</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .232%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District Debt	\$ 3,327,000.00	3,327,000.00	-
General Debt	402,381.78	-	402,381.78
	<u>\$ 3,729,381.78</u>	<u>3,327,000.00</u>	<u>402,381.78</u>

Net Debt \$402,381.78 ÷ Equalized Valuation Basis per N.J.S.A. 40A:2-2 as amended, \$173,644,842.33 = .232%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 % of Equalized Valuation Basis (Municipal)	\$ 6,077,569.00
Net Debt	402,381.78
Remaining Borrowing Power	<u>\$ 5,675,187.22</u>

The Borough of Woodbine School District, as a K-8 school district, is permitted to borrow up to 3% of the average equalized valuation for the past three years. State statutes allow a school district to exceed the districts limitation with voter approval. Any amount approved by the voters in excess of the limit is treated as an impairment of the municipal limit.

Note 7: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2013 and 2012, which were appropriated and included as anticipated revenue in their own respective funds for the year ending December 31, 2014 and 2013 were as follows:

	<u>2013</u>
Current Fund	\$ 60,750

The 2014 budget has not been adopted as of the date of the audit.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 8: SCHOOL TAXES

Local District School Taxes have been raised and a liability deferred by statute, resulting in the school tax payable set forth in the Current Fund liabilities as follows:

	<u>12/31/2013</u>	<u>12/31/2012</u>
Balance of Tax	\$ 757,274.92	713,197.48
Deferred	367,000.00	367,000.00
Tax Payable	<u>\$ 390,274.92</u>	<u>346,197.48</u>

Note 9: TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance 12/31/13</u>	<u>Balance 12/31/12</u>
Prepaid Taxes	<u>\$ 66,652.68</u>	<u>117,426.75</u>
Cash Liability for Taxes Collected in Advance	<u>\$ 66,652.68</u>	<u>117,426.75</u>

Note 10: PENSION FUNDS

Description of Plans

Substantially all of the entity's employees participate in the Public Employees' Retirement System (PERS) cost sharing multiple-employer defined benefit pension plan which has been established by State Statute and is administered by the New Jersey Division of Pensions and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of the System will be assumed by the State of New Jersey should the system terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the systems. This report may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey 08625 or the report can be accessed on the internet at

-
<http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

Public Employees' Retirement System

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Funding Policy

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. PERS provided for employee contributions of 6.64% through June 30, 2013 and 6.78% thereafter of employee's annual compensation, as defined. Employers are required to contribute to an actuarially determined rate in PERS. The current PERS rate is 6.71% of covered payroll. The entity's contributions to PERS for the years ended December 31, 2013, 2012, and 2011 were \$28,376, \$38,562 and \$40,470.

The total payroll for the year ended December 31, 2013, 2012 and 2011 was \$364,888.39, \$355,945 and \$342,853. Payroll covered by PERS was \$229,800, \$244,296 and \$240,217.

Significant Legislation

Chapter 78, P.L. 2011, effective June 28, 2011 made various changes to the manner in which the Public Employees' Retirement System (PERS) and the Police and Firemen's Retirement System (PFRS) operate and to the benefit provisions of those systems.

Chapter 78's provisions impacting employee pension and health benefits include:

- New members of the PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65.
- The eligibility age to qualify for a service retirement in the PERS is increased from age 63 to 65 for Tier 5 members.
- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members), will be 60% instead of 65% of the member's final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years.
- Increases in active member contribution rates. PERS active member rates increase from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years; PFRS active member rate increase from 8.5% to 10%. For fiscal year 2013, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contribution rates for PERS members will take place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries is suspended until reactivated as permitted by this law.
- New employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to Chapter 78's effective date with a minimum contribution required to be at least 1.5% of salary.
- In addition, this new legislation changes the method for amortizing the pension systems' unfunded accrued liability (from a level percent of pay method to a level dollar of pay).

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

Chapter 1, P.L. 2010, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Also, Chapter 1, P.L. 2010 changed the membership eligibility criteria for new members of PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60th from 1/55th, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for social security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined a 1/7th of the required amount, beginning in fiscal years 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 92, P.L. 2007 implemented certain recommendations contained in the December 1, 2006 report of the Joint Legislative Committee on Public Employee Benefits Reform; established a DCRP for elected and certain appointed officials, effective July 1, 2007; the new pension loan interest rate became 4.69% per year, and an \$8.00 processing fee per loan was charged, effective January 1, 2008. The legislation also removed language from existing law that permits the State Treasurer to reduce employer pension contributions needed to fund the Funds and Systems when excess assets are available.

Note 11: POST-RETIREMENT BENEFITS

Plan Description The Borough of Woodbine contributes to the State Health Benefits Program (SHBP) a cost-sharing, multi-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. The SHBP was established in 1961 under N.J.S.A. 52:14-17.25 et seq. to provide health benefits to State employees, retirees, and their dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. Local employers must adopt a resolution to participate in the SHBP. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at to <http://www.state.nj.us/treasury/pensions/shbp.htm>

Funding Policy Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis.

Contributions to pay for the health premiums of participating retirees in the SHBP are billed to the Borough of Woodbine on a monthly basis. The rates charged by the system for the year ended December 31, 2012 vary according to the type of coverage selected by the retiree and range from \$378 to \$1,770 monthly per retiree.

The Borough of Woodbine contributions to SHBP for post-retirement benefits for the year ended December 31, 2013 and 2012, were \$6,285.84 and \$5,844 respectively, which equaled the required contribution for the year.

Note 12: ACCRUED SICK AND VACATION BENEFITS

Borough employees are covered by an AFSCME union contract specifying that vacation time may be carried over to the next calendar year, with prior permission. Sick leave may be accumulated from year to year and used as needed. An employee that has reached the age of 55 and accumulated 10 years of service will be compensated for ½ of the accumulated sick pay at the current rate of pay upon retirement. It is estimated that the current cost of such unpaid compensation would approximate \$12,500 and \$12,500 as of December 31, 2013 and 2012. This amount is not reported either as an expenditure or liability. Effective January 1, 2002, the State of New Jersey is allowing municipalities to accrue a compensated absence liability. The Borough has elected not to accrue this liability as of December 31, 2013.

Note 13: ECONOMIC DEPENDENCY

The Borough of Woodbine is not economically dependent on any one business or industry as a major source of tax revenue for the entity.

Note 14: RISK MANAGEMENT

The entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The entity maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2013 and 2012 the entity did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

The entity is a member of the Atlantic County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The entity is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Atlantic County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The entity has a general liability limit of \$100,000 under JIF, which increases to \$5,000,000 under MEL.

Note 15: DEFERRED COMPENSATION

Employees of the Borough of Woodbine may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans With Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the entity. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

An unrelated financial institution administers the deferred compensation plan. Under the terms of an IRC Section 457 deferred compensation plan, all deferred compensation and income attributable to the investment of the deferred compensation amounts held by the financial institution, until paid or made available to the employees or beneficiaries, are the property of the employees.

As part of its fiduciary role, the entity has an obligation of due care in selecting the third party administrator. In the opinion of the entity's legal counsel, the entity has acted in a prudent manner and is not liable for losses that may arise from the administration of the plan.

Note 16: CONTINGENT LIABILITIES

From time to time, the entity is a defendant in legal proceedings relating to its operations as a municipality. In the best judgment of the entity's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

Note 17: INTERFUND BALANCES

During the most current calendar year ended December 31, 2013, the following interfunds were included on the balance sheets of the various funds of the Borough of Woodbine:

**BOROUGH OF WOODBINE
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>Due From</u>	<u>Due To</u>
Current Fund:		
Small Cities	\$ 1,801.65	
Capital		359,546.68
Grant Fund		32,234.78
Grant Fund:		
Current Fund	32,234.78	
Trust Fund:		
Current - Small Cities		1,801.65
General Capital Fund:		
Current Fund	359,546.68	
	<u>\$ 393,583.11</u>	<u>393,583.11</u>

The amounts due to the Grant fund from the Current fund is due to the fact that the Borough does not receive all grant funds prior to expenditures being made, therefore all disbursements must be made through the Current Fund.

Note 18: SUBSEQUENT EVENTS

The entity has evaluated subsequent events through February 14, 2014, the date which the financial statements were available to be issued and identified no events requiring disclosure.

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SUPPLEMENTARY INFORMATION

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FORD - SCOTT

& ASSOCIATES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

The Honorable Mayor and
Members of the Borough Council
Borough of Woodbine, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds and account group as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated February 14, 2014, which was adverse due to being presented in accordance with the New Jersey regulatory basis of accounting.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Borough's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kenneth Moore

Kenneth Moore, CPA RMA #231

Ford Scott & Associates, LLC

Ford Scott & Associates, LLC

February 14, 2014

SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/12	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances	Cancelled	Balance 12/31/13	Cumulative Expenditures	
STATE OF NEW JERSEY											
Municipal Alliance Program		01/01/13	12/31/13	\$ 6,062.00	6,062.00	6,062.00			-	6,062.00	
Municipal Alliance Program		01/01/12	12/31/12	7,500.00		123.78			-		
Municipal Alliance Program		01/01/11	12/31/11	1,018.00			592.07	1,018.00	-	6,482.00	
Municipal Alliance Program		01/01/10	12/31/10	7,500.00					-	7,500.00	
Department of Community Affairs											
Neighbor Stabilization Program		01/01/09	12/31/09	689,924.05				69,924.05	-	619,732.95	
Department of Environmental Protection											
Clean Communities	4900-765-042-4900-004	01/01/13	12/31/13	7,218.39	7,218.39				7,218.39		
Clean Communities	4900-765-042-4900-004	01/01/12	12/31/12	6,280.09		4,780.68			1,499.41	4,780.68	
Clean Communities	4900-765-042-4900-004	01/01/11	12/31/11	912.00		4,827.32	3,915.32		0.00	6,280.00	
Hazardous Site Remediation	n/a	01/01/00	12/31/00	79,670.00		67,562.93	67,562.93	0.04	(0.00)	79,669.96	
EDA Hazardous Discharge	n/a	01/01/13	12/31/13	34,729.00	34,729.00	34,729.00				34,729.00	
Recycling Tonnage	4900-752-042-4900-001	01/01/13	12/31/13	4,402.33	4,402.33				4,402.33		
Recycling Tonnage	4900-752-042-4900-001	01/01/12	12/31/12	4,794.00							
Recycling Tonnage	4900-752-042-4900-001	01/01/11	12/31/11	1,484.00					1,484.00		
Department of Transportation											
DOT Routes 550	08-480-078-6300-DM1-7310	01/01/09	12/31/09	200,000.00				1,086.25	-	198,913.75	
DOT Bike Safety - Routes to School	08-480-078-6300-DM1-7310	01/01/09	12/31/09	275,000.00				84.67	-	274,915.33	
Airport Entrance Road - 2011	08-480-078-6300-DM1-7310	06/01/11	05/31/12	200,000.00				3,417.86	-	196,582.14	
State of New Jersey State Police											
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/13	12/31/13	211.10	211.10				211.10		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/11	12/31/11	162.00		162.00			162.00		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/10	12/31/10	1,106.00		1,106.00			1,106.00		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/09	12/31/09	186.00		186.00			186.00		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/08	12/31/08	696.00		696.00			696.00		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/07	12/31/07	114.00		114.00			114.00		
Alcohol Education Rehabilitation Fund	9735-760-098-Y900-001	01/01/06	12/31/06	648.00		648.00			648.00		
Total State Assistance				\$ 99,086.93	\$ 52,622.82	\$ 118,677.78	\$ 72,070.32	\$ 75,530.87	\$ 22,195.20	\$ 326.00	

See Accompanying Notes to Schedule of Expenditures of Federal and State Awards

**SCHEDULE OF FEDERAL AND STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2013**

Federal or State Grantor/Pass-Through Grantor/Program Title	CFDA #/ Pass Through Grantor's #	Grant Period From To	Program or Award Amount	Balance 12/31/12	Receipts or Revenue Recognized	Disbursements/Expenditures	Prior Year Encumbrances	Cancellation	Balance 12/31/13	Cumulative Expenditures
FEDERAL:										
Federal Emergency Management Agency Hazardous Mitigation Grant	83.XXX	01/01/12 12/31/12	\$ 1,070,207.00	1,070,207.00		70,533.97			999,673.03	70,533.97
State and Local All Hazards Emergency Operation Planning	83.XXX	01/01/03 12/31/03	2,406.00	2,406.00					2,406.00	-
Total Federal Emergency Management Agency				1,072,613.00	-	70,533.97	-	-	1,002,079.03	
Environmental Protection Municipal Stormwater Regulation Program C\03	66.XXX	01/01/06 12/31/06	5,000.00	1,000.00				1,000.00	-	4,000.00
Total Environmental Protection				1,000.00	-	-	-	1,000.00	-	
Department of Agriculture 2008 USDA Rural Business Enterprise Grant	10.769	01/01/10 12/31/10	98,000.00	46,332.14		11,197.75			35,134.39	62,865.61
Total Department of Agriculture				46,332.14	-	11,197.75	-	-	35,134.39	
Transportation Enhancement Agency Washington Avenue Streetscape		01/01/09 12/31/09	450,000.00	3,699.00				3,699.00	-	446,301.00
Streetscape Phase V		01/01/10 12/31/10	500,000.00	452.39			45.00	497.39	-	499,502.61
Washington Avenue Streetscape Improvements	STP - 01117 (104)	01/01/02 12/31/02	500,000.00	4.58				4.58	-	499,995.42
Total Transportation Enhancement Agency				4,155.97	-	-	45.00	4,200.97	-	
Housing and Urban Development Small Cities Community Development Block Grant										
2012 Public Facility - Stormwater Drainage	14.218	01/01/12 12/31/12	400,000.00	360,599.63		2,951.28			357,648.35	42,351.65
2011 Public Facility Com Ctr/Water Filtration	14.218	01/01/11 12/31/11	380,000.00	-		522.92	522.92		-	380,000.00
2010 Housing Rehabilitation	14.218	01/01/09 12/31/09	200,000.00	1,200.00				1,200.00	-	198,800.00
Total Housing and Urban Development				361,799.63	-	3,474.20	522.92	1,200.00	357,648.35	
Total Federal Assistance				\$ 1,485,900.74	\$ -	\$ 85,205.92	\$ 567.92	\$ 6,400.97	\$ 1,394,861.77	

**NOTES TO SCHEDULE OF FEDERAL AND STATE AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

Note 1: BASIS OF PRESENTATION

The accompanying schedule of federal and state awards includes the federal and state grant activity of the Borough of Woodbine, State of New Jersey and is presented on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Encumbrances are considered in determining the single audit threshold on major programs.

Note 2: RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedule agree with amounts reported in the Borough's financial statements. Receipts from federal and state grants are realized as revenue when anticipated in the Borough's budget. Expenditures are recognized when they become payable. Financial assistance revenue and expenditures are reported in the Borough's financial statements on the basis of accounting prescribed by the State of New Jersey, Department of Community Affairs, Division of Local Government Services as follows:

	Federal	State
Expenditures per Schedule of Federal and State Awards	\$ 85,205.92	118,677.78
Add :		
County / Local Funding	16,305.29	
	\$ 101,511.21	118,677.78

**CURRENT FUND
SCHEDULE OF CASH - TREASURER**

	Current Fund	Grant Fund
Balance December 31, 2012	\$ 631,717.40	1.80
Increased by Receipts:		
Clerk	453.10	
Miscellaneous Revenue Anticipated	1,077,241.17	
Miscellaneous Revenue Not Anticipated	64,405.76	
Taxes Receivable	2,279,599.32	
Tax Title Liens	2,760.49	
Prepaid Taxes	66,652.68	
Due from State - Sr Citizens and Veterans	14,650.96	
Federal and State Grant Receivables	833,539.48	
Unappropriated Grants	3,254.23	
Due to Trust	54,869.73	
Due from MUA	760.64	
Due from Payroll	50.05	
Tax Overpayments	4,172.17	
	4,402,409.78	-
	5,034,127.18	1.80
Decreased by Disbursements:		
Current Year Appropriation	1,301,345.46	
Prior Year Appropriations	35,004.02	
County Taxes	465,178.88	
County Added Taxes	1,045.68	
Local District School Taxes	1,470,474.56	
Due from Federal and State Grants	140,791.17	
Due from Trust	54,814.73	
Due from Capital	4,600.00	
Due from MUA	5,261.50	
Due to Current		1.80
	3,478,516.00	1.80
Balance December 31, 2013	\$ 1,555,611.18	-

**CURRENT FUND
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance Dec. 31, 2012	Current Year Levy	Added Taxes	Collections by Cash 2012	2013	Overpayments Applied	Overpayments Created	Adjustments	Transferred To Tax Title Lien	Arrears	Balance Dec. 31, 2013
Arrears	\$ 21,015.84				6,391.66			(15,384.84)		(4,491.45)	34,500.47
2012	76,834.00			68,674.79	877.86	611.42	10.64		3,531.98	4,350.15	0.00
	97,849.84			75,066.45	877.86	611.42	(15,374.20)		3,531.98	(141.30)	34,500.47
2013		2,397,793.40	5,362.24	117,426.75	2,219,282.87	6,348.23	4,911.60	1,566.41	5,691.75	141.30	57,609.93
	\$ 97,849.84	2,397,793.40	5,362.24	117,426.75	2,294,349.32	7,226.09	5,523.02	(13,807.79)	9,223.73	-	92,110.40

Cash Receipts
Senior Citizens and Veterans
2,294,349.32

Analysis of Current Year Tax Levy

Tax Yield:	
General Property Tax	2,397,793.40
Added Taxes (54:4-63.1 et. Seq.)	<u>5,362.24</u>
	<u>2,403,155.64</u>
Tax Levy:	
General County Taxes	390,617.32
County Library Taxes	55,442.25
County Open Space Taxes	19,119.31
County Added and Omitted Taxes	<u>350.49</u>
Total County Taxes	465,529.37
Local School District Tax	1,514,552.00
Local Tax for Municipal Purposes	415,658.00
Add: Additional Tax Levied	<u>7,416.27</u>
	<u>423,074.27</u>
	<u>2,403,155.64</u>

**CURRENT FUND
SCHEDULE OF TAX TITLE AND OTHER LIENS**

Balance December 31, 2012	\$	8,373.43
Increased by:		
Transfers from Taxes Receivable	9,223.73	
Interest and Costs Accrued by Sale of January 17, 2013	1,568.42	
Other	-	
		10,792.15
		19,165.58
Decreased by:		
Collections	2,760.49	
Other		
		2,760.49
Balance December 31, 2013	\$	<u><u>16,405.09</u></u>

**CURRENT FUND
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE**

	Balance Dec. 31, 2012	Accrued in 2013	Collected by Treasurer	Balance Dec. 31, 2013
Miscellaneous Revenue Anticipated				
Licenses - Alcoholic Beverages	\$ -	10,000.00	10,000.00	-
Interest and Costs on Taxes	-	14,784.69	14,784.69	-
Energy Receipts Tax	-	217,321.46	217,321.46	-
Consolidated Municipal Property Tax Relief	-	72,216.00	72,216.00	-
Interfund Returned	-	150,000.00	150,000.00	-
Rental for State Police Lease	-	129,915.00	129,915.00	-
Woodbine MUA Contribution	-	109,882.15	109,882.15	-
Host Community Benefits	293,350.72	504,921.74	523,121.87	275,150.59
Capital Surplus	-	75,000.00	75,000.00	-
Miscellaneous Revenue Not Anticipated	-	159,563.53	159,563.53	-
	<u>\$ 293,350.72</u>	<u>1,443,604.57</u>	<u>1,461,804.70</u>	<u>275,150.59</u>

CURRENT FUND
SCHEDULE OF APPROPRIATION RESERVES - PRIOR YEAR

	Balance Dec. 31, 2012	Balance After Transfers	Paid or Charges	Balance Lapsed	Over- Expended
OPERATIONS WITHIN "CAPS"					
GENERAL GOVERNMENT:					
Administrative and Executive Other Expenses					
Other Professional Services	\$ 2,650.00	2,650.00	2,650.00	-	-
Municipal Clerk Other Expenses	5,655.49	5,655.49	990.12	4,665.37	-
Financial Administration Other Expenses	4,806.52	4,806.52	285.50	4,521.02	-
Legal Services and Costs Other Expenses	5,590.37	5,590.37	3,430.50	2,159.87	-
Engineering Services and Costs Other Expenses	4,637.48	4,637.48	650.00	3,987.48	-
Public Buildings and Grounds Other Expenses	7,493.73	7,493.73	5,826.93	1,666.80	-
Municipal Land Use Law (N.J.S. 40:55D-1) Planning and Zoning Board Other Expenses					
Miscellaneous Other Expenses	2,716.86	2,716.86	1,707.78	1,009.08	-
PUBLIC SAFETY:					
Sub-Code Officials Emergency Management Services Other Expenses	392.99	392.99	175.00	217.99	-
School Crossing Guard Other Expenses	800.00	800.00	203.90	596.10	-
STREETS AND ROADS:					
Roads Repairs and Maintenance Other Expenses	13,799.15	13,799.15	4,515.69	9,283.46	-
RECREATION AND EDUCATION					
Public Relations Other Expenses	765.99	765.99	18.58	747.41	-
UNCLASSIFIED:					
Utilities					
Telephones/Communications	1,585.40	1,585.40	491.88	1,093.52	-
Street Lighting	5,532.91	5,532.91	3,735.28	1,797.63	-
Heating & Fuel	9,001.62	9,001.62	3,422.86	5,578.76	-
OPERATIONS EXCLUDED FROM "CAPS"					
Various Improvements and Infrastructure	12,199.47	12,199.47	6,900.00	5,299.47	-
All Other Accounts - No Change	68,190.02	68,190.02		68,190.02	
	<u>\$ 145,818.00</u>	<u>145,818.00</u>	<u>35,004.02</u>	<u>110,813.98</u>	<u>-</u>

**CURRENT FUND
SCHEDULE OF LOCAL DISTRICT SCHOOL TAX**

Balance December 31, 2012			
School Tax Payable	\$	346,197.48	
School Tax Deferred		367,000.00	
		<u> </u>	\$ 713,197.48
Increased by:			
Levy - School Year July 1, 2013 to June 30, 2014			<u>1,514,552.00</u>
			2,227,749.48
Decreased by:			
Payments			<u>1,470,474.56</u>
Balance December 31, 2013			
School Tax Payable		390,274.92	
School Tax Deferred		367,000.00	
		<u> </u>	<u>757,274.92</u>
Current Year Liability for Local School District School Tax:			
Tax Paid			1,470,474.56
Tax Payable Ending			<u>390,274.92</u>
			1,860,749.48
Less: Tax Payable Beginning			<u>346,197.48</u>
Amount charged to Current Year Operations			<u>\$ 1,514,552.00</u>

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS RECEIVABLE**

<u>Purpose</u>	Balance Dec. 31, 2012	Transferred From 2013 Revenues	Received	Adjustments	Balance Dec. 31, 2013
FEDERAL GRANTS:					
FEIMA	\$ 1,070,207.00				1,070,207.00
Washington Avenue Streetscape	4.58		140,966.34	4.58	-
Washington Ave Streetscape Small Cities Block Grant:	144,667.34			3,699.00	-
Public Facility - 2011	219,906.00		219,906.00		-
Public Facility - 2012	388,050.00		28,600.00		359,450.00
Total Federal	1,822,834.92	-	389,474.34	3,703.58	1,429,657.00
STATE GRANTS:					
Clean Communities	-	7,218.39	7,218.39		-
Recycling Tonnage Grant	-	4,402.33	4,402.33		-
Alcohol Education Rehabilitation Grant	-	211.10	211.10		-
Hazardous Discharge	-	34,729.00	34,729.00		-
NJDOT 2009	-				-
NJDOT 2011 Fremont Avenue	81,232.75		81,232.75		-
NJDOT Route 550	-				-
NJDOT Bike Safety Path Phase 1	35,331.28		35,246.61	84.67	(0.00)
NJDOT Bike Safety Path Phase 4b	-				-
NJDOT Bike Safety 2010 Halprin - Webster	-				-
DOT Airport Entrance Road - 2011	88,392.50		84,974.64	3,417.86	-
DCA Neighborhood Stabilization Program Northside	163,391.03			163,391.03	-
Airport Economic Study - 2008	54,909.00		10,448.00		44,461.00
Rural Business Enterprise Streetscape Phase V	184,848.73		184,351.34	497.39	0.00
Municipal Alliance Program					
2010	2,439.03			2,439.03	-
2011	394.00			394.00	-
2012	7,500.00		5,453.31		2,046.69
2013		6,062.00	200.00		5,862.00
Total State	618,438.32	52,622.82	448,467.47	170,223.98	52,369.69
\$	2,441,273.24	52,622.82	837,941.81	173,927.56	1,482,026.69
		Cash	833,539.48		
		Unappropriated Reserves	4,402.33		
			<u>837,941.81</u>		

**CURRENT FUND
SCHEDULE OF APPROPRIATED RESERVES FOR FEDERAL AND STATE GRANTS**

	Balance December 31, 2012		2013		Disbursed	Encumbrances	Canceled	Balance Dec. 31, 2013
	Appropriated	Reserve for Encumbrances	Appropriations					
FEDERAL GRANTS:								
FEMA	\$ 1,070,207.00			70,533.97			999,673.03	
Washington Avenue Streetscape	4.58					4.58	-	
Small Cities								
Public Facility 2012	360,599.63			2,951.28			357,648.35	
Public Facility Match	-	16,157.27		16,157.27			-	
Housing Rehab	1,200.00					1,200.00	-	
Public Facility 2011	-	522.92		522.92			-	
Washington Ave Streetscape	3,699.00					3,699.00	-	
Total Federal	1,435,710.21	16,680.19	-	90,165.44	-	4,903.58	1,357,321.38	
STATE GRANTS:								
Clean Communities	6,280.09				4,780.68		1,499.41	
Clean Communities	912.00	3,915.32		4,233.17	594.15		(0.00)	
Clean Communities	-		7,218.39				7,218.39	
Recycling Tonnage Grant	6,277.97		4,402.33				10,680.30	
Hazardous Discharge	-		34,729.00				-	
Hazardous Site Remediation	0.04			29,342.17		0.04	(0.00)	
Rural Business Grant	46,332.14	67,562.93		10,759.00			35,134.39	
DOT Route 550	1,086.25					1,086.25	-	
DOT Bike Safety Path Phase 1	84.67					84.67	-	
DOT Bike Safety Path Phase 4b	-						-	
DOT Bike Safety 2010	-						-	
DOT 2009	-						-	
DOT 2011 Fremont Ave	-						-	
DOT 2011 Airport Entrance Road	3,417.86					3,417.86	-	
Alcohol Education Rehabilitation Grant	-		211.10				211.10	
Alcohol Education Rehabilitation Grant	161.80						161.80	
Alcohol Education Rehabilitation Grant	621.64						621.64	
Alcohol Education Rehabilitation Grant	696.09						696.09	
Alcohol Education Rehabilitation Grant	1,106.01						1,106.01	
Alcohol Education Rehabilitation Grant	2,406.00						2,406.00	
All Hazards Emergency Operation Planning	452.39					497.39	-	
Streetscape Phase V	3,500.00	45.00					3,500.00	
Mural Project	69,924.05					69,924.05	-	
DCA Neighborhood Stabilization Program	-						-	
2010 Municipal Alliance	-	592.07					-	
Local Share	-	148.02					-	
2011 Municipal Alliance	1,018.00						1,018.00	
Local Share	1,875.00						1,875.00	
2012 Municipal Alliance	7,500.04				123.78		7,376.26	
Local Share	1,875.00						1,875.00	
2013 Municipal Alliance	-		6,062.00				-	
Local Share	-					634.48	(0.00)	
Municipal Stormwater Regulation Program	1,000.00					1,000.00	-	
Total State	156,527.04	72,263.34	52,622.82	50,625.73	79,397.82	76,903.26	72,486.39	
Total	1,592,237.25	88,943.53	52,622.82	140,791.17	79,397.82	83,806.84	1,429,807.77	

**CURRENT FUND
SCHEDULE OF FEDERAL AND STATE GRANTS - UNAPPROPRIATED RESERVES**

<u>Purpose</u>	Balance Dec. 31, 2012	Transferred To 2013 Appropriations	Received	Adjustments	Balance Dec. 31, 2013
FEDERAL GRANTS:					
	\$				-
Total Federal	-	-	-	-	-
STATE GRANTS:					
Recycling Tonnage Grant	4,402.33	4,402.33	3,254.23		3,254.23
Total State	4,402.33	4,402.33	3,254.23	-	3,254.23
	\$	4,402.33	3,254.23	-	3,254.23

**TRUST FUND
SCHEDULE OF CASH - TREASURER**

	<u>Dog Licenses</u>	<u>Other</u>
Balance December 31, 2012	\$ 382.67	49,383.18
Increased by Receipts:		
Dog License Fees 2013	809.60	
Due to State of New Jersey	271.80	
Prepaid Dog Licenses		
Payroll Deductions Payable		
Miscellaneous Trust Reserves:		117,266.64
Due from Current		12.33
	<u>1,081.40</u>	<u>117,278.97</u>
	1,464.07	166,662.15
Decreased by Disbursements		
Statutory Expenditures	430.01	
Due to State of New Jersey	267.60	
Prepaid Dog Licenses		
Payroll Deductions Payable		
Miscellaneous Trust Reserves:		109,525.12
Due to Current - Trust Assessment		
Due to Current Fund		12.79
	<u>697.61</u>	<u>109,537.91</u>
Balance December 31, 2013	\$ <u><u>766.46</u></u>	<u><u>57,124.24</u></u>

**TRUST FUND
SCHEDULE OF CASH - COLLECTOR**

	Tax Title Lien Redemption	
Balance December 31, 2012		\$ 18,596.05
Increased by Receipts:		
Deposits for Redemption of Tax Sale Certificates	42,203.49	42,203.49
		60,799.54
Decreased by Disbursements:		
Refunds on Tax Sale Certificates	56,632.78	56,632.78
Balance December 31, 2013		\$ 4,166.76

**TRUST FUND
SCHEDULE OF RESERVE FOR DOG FUND EXPENDITURES**

Balance December 31, 2012		\$	382.67
Increased by:			
Dog License Fees Collected	741.00		
Cat License Fees Collected	68.00		
Other	0.60		
			809.60
			1,192.27
Decreased by:			
Statutory Excess	-		
Expenditures under N.J.S. 4:19-15:11	430.01		
			430.01
Balance December 31, 2013		\$	762.26

License Fees Collected:

Year	Amount
2012	\$ 418.00
2011	504.00
	\$ 922.00

TRUST FUND
SCHEDULE OF AMOUNT DUE TO CURRENT FUND - DOG LICENSE FUND

Balance December 31, 2012	_____	\$	-
Increased by:			
Dog Trust Payments	430.24		
Statutory Excess	-		
	_____		430.24
			430.24
Decreased by:			
Payment			430.24

Balance December 31, 2013		\$	- =====

TRUST FUND
SCHEDULE OF AMOUNT DUE TO(FROM) STATE OF NEW JERSEY - DEPARTMENT OF HEALTH

Balance December 31, 2012		\$	-
Increased by:			
2013 State License Fees	271.80		
	_____		271.80
			271.80
Decreased by:			
Disbursements to the State			267.60

Balance December 31, 2013		\$	4.20 =====

**TRUST - OTHER FUNDS
SCHEDULE OF DUE TO/(FROM) CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2013**

	Balance Dec 31, 2012	Receipts	Disbursements	Balance Dec 31, 2013
	<u>Increased by</u>		<u>Decreased by</u>	
<u>Reserve</u>				
Developers Escrow	\$ (25,168.23)	25,171.24	3.01	(0.00)
Community Development Block Grant	(1,500.00)	1,509.78	9.78	(0.00)
Tax Title Lien	0.54	3.20	3.74	-
	<u>\$ (26,667.69)</u>	<u>26,684.22</u>	<u>16.53</u>	<u>(0.00)</u>

**TRUST - OTHER FUNDS
SCHEDULE OF MISCELLANEOUS RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Reserve</u>	<u>Balance Dec 31, 2012</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Adjustments</u>	<u>Balance Dec 31, 2013</u>
Deposits for Redemption of Tax Sale Certificates	\$ 10,715.51	38,900.33	49,249.08		366.76
Premiums Received at Tax Sale	7,880.00	3,300.00	7,380.00		3,800.00
Community Development Block Grant	22,597.11	17,360.00		(1,500.47)	38,456.64
Escrow Fees	50,510.36	99,086.07	108,801.53	(25,168.23)	15,626.67
Municipal Alliance	2,633.96	0.82	-		2,634.78
Section 125	309.98	819.76	723.59		406.15
	<u>\$ 94,646.92</u>	<u>159,466.98</u>	<u>166,154.20</u>	<u>(26,668.70)</u>	<u>61,291.00</u>

**GENERAL CAPITAL FUND
SCHEDULE OF CASH - TREASURER**

Balance December 31, 2012		\$	-
Increased by:			
NO ACTIVITY			
	<hr/>		-
			-
Decreased by:			
	<hr/>		-
Balance December 31, 2013		\$	<u><u>-</u></u>

**GENERAL CAPITAL FUND
ANALYSIS OF CASH**

	Balance Dec. 31, 2012		Receipts		Disbursements		Transfers		Balance Dec. 31, 2013	
			Miscellaneous	Debt Issued	Improvement Authorizations	Miscellaneous	From	To		
Fund Balance	\$	119,787.29							44,787.29	
Capital Improvement Fund		233,320.00					75,000.00		233,320.00	
Encumbrances Payable		17,635.25					17,635.25	13,000.00	13,000.00	
Due from Grant Funds		(145,507.29)					145,507.29	145,507.29	-	
Due from Current Fund		(293,639.39)			(4,600.00)		145,507.29	75,000.00	(359,546.68)	
Improvement Authorizations:										
456-04 Lincoln Park Improvements		7,400.00							7,400.00	
515-10 Various Improvements		20,380.18							20,380.18	
516-10 Various Improvements		35,623.96						35.25	35,659.21	
536-12 Various Improvements		5,000.00			4,600.00		13,000.00	17,600.00	5,000.00	
	\$	(0.00)		-	-	-	251,142.54	251,142.54	(0.00)	

**GENERAL CAPITAL FUND
SCHEDULE OF CAPITAL IMPROVEMENT FUND**

Balance December 31, 2012		\$	233,320.00
Increased by:			
NO ACTIVITY			
	<hr/>		-
			<hr/>
			233,320.00
Decreased by:			
	<hr/>		-
			<hr/>
Balance December 31, 2013		\$	<u><u>233,320.00</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED**

Balance December 31, 2012		\$	55,232.44
Increased by:			
	<hr/>		<hr/>
			-
			55,232.44
Decreased by:			
Green Trust Payment	11,849.88		
	<hr/>		<hr/>
			11,849.88
Balance December 31, 2013		\$	<u><u>43,382.56</u></u>

**GENERAL CAPITAL FUND
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Ord #	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Raised in 2013 Budget	Debt Issued	Balance Dec. 31, 2013	Analysis of Balance		
							Bond Anticipation Notes	Expenditures	Unexpended Improvement Authorizations
463-05	Construction of Sanitary Wastewater Treatment Plant	\$ 509,000.00		150,000.00	-	359,000.00	359,000.00	-	-
		\$ 509,000.00	-	150,000.00	-	359,000.00	359,000.00	-	-

Improvement Authorizations Unfunded
Less:
Unexpended Proceeds of Bond
Anticipation Notes Issued:
Ord. Number

-

\$ -

**GENERAL CAPITAL FUND
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS**

Ord #	Improvement Description	Ord. Date	Amount	Authorizations		Balance December 31, 2012	Deferred Charges to Future Taxation	Other Funding	Prior Encumbrance	Paid or Charged	Balance December 31, 2013	
				Funded	Unfunded						Funded	Unfunded
456-04	Lincoln Park Improvements	7/15/2004	7,400	\$	7,400.00						7,400.00	
515-10	Various Capital Improvements	5/5/2010	70,000		20,380.18						20,380.18	
516-10	Various Capital Improvements	5/5/2010	100,000		35,623.96				35.25		35,659.21	
536-12	Various Capital Improvements	10/4/2012	25,000		5,000.00				17,600.00	17,600.00	5,000.00	
				\$	<u>68,404.14</u>				<u>17,635.25</u>	<u>17,600.00</u>	<u>68,439.39</u>	

**GENERAL CAPITAL FUND
SCHEDULE OF GREEN TRUST LOAN PAYABLE**

Purpose	Date of Issue	Amount of Original Issue	Maturities of Bonds Outstanding December 31, 2013	Interest Rate	Balance Dec. 31, 2012	Maturities of Bonds Outstanding December 31, 2013		Balance Dec. 31, 2013
						Date	Amount	
Lincoln Park	6/1/2000	142,000		2.000% \$	55,232.44		11,849.88	43,382.56
				\$	55,232.44		11,849.88	43,382.56
							-	

**GENERAL CAPITAL FUND
SCHEDULE OF BOND ANTICIPATION NOTES**

Improvement Description	Ordinance Number	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2012	Increased	Decreased	Balance Dec. 31, 2013
Various Improvements		4/21/2005	4/21/2011		0.0000%	\$ 509,000.00		150,000.00	359,000.00
						\$ 509,000.00	-	150,000.00	359,000.00

**GENERAL CAPITAL FUND
SCHEDULE OF BOND AND NOTES AUTHORIZED BUT NOT ISSUED**

Ordinance Number	Improvement Description	Balance Dec. 31, 2012	2013 Authorizations	Debt Issued	Other	Balance Dec. 31, 2013
	NO ACTIVITY	\$				
		\$	-	-	-	-

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BOROUGH OF WOODBINE

PART II

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2013

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GENERAL COMMENTS

Contracts and Agreements Required to be Advertised for N.J.S. 40A:11-4

N.J.S. 40A:11-4 states, "Every contract or agreement for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding the aggregate \$17,500 except by contract or agreement."

The governing body of the Borough of Woodbine has the responsibility of determining whether the expenditures in any category will exceed \$17,500 within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the district counsel's opinion should be sought before a commitment is made.

The minutes indicate that the following bids were requested by public advertising during the current year.

None

Our examination of expenditures did not reveal payments in excess of \$17,500 "for the performance of any work or the furnishing or hiring of any materials or supplies" other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 17, 2013, adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED by the Borough Council of the Borough of Woodbine, in accordance with Chapter 435, New Jersey Laws of 1979, and N.J.S.A. 54:4-67, 54:5-32, 54:5-35, which authorizes the Governing Body inter alia to fix the rate of interest to be charged, in the Borough of Woodbine, for the nonpayment of taxes and assessments, said rate of interest shall be and is hereby fixed at 8 percent per annum on the first \$1,500 of delinquency and 18 per cent per annum on any amount in excess of \$1,500 to be calculated from the date when the taxes and assessments become delinquent,"

"This Resolution shall take effect January 1, 2013."

Our examination of interest collected on delinquent taxes did not reveal any charges that were not in agreement with the above resolution.

Delinquent Taxes and Tax Title Liens

The tax sale was held on January 17, 2013 and was complete. There are several bankruptcies from prior years not sold.

The following comparison is made of the number of tax title liens on December 31st of the last three years:

<u>Year</u>	<u>Number</u>
2013	22
2012	16
2011	2

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a taxpaying basis.

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services, including the mailing of verification notices as follows:

<u>Type</u>	<u>Number Mailed</u>
Payments of 2013 and 2014 Taxes	10
Delinquent Taxes	2

As of the date of this audit report, all verifications have not been returned. However, no problems were noted with those that have been returned.

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Currently</u>	
		<u>Cash Collections</u>	<u>Percentage of Collections</u>
2013	\$ 2,403,155	2,338,145	97.29%
2012	2,301,888	2,220,211	96.45%
2011	2,119,434	2,029,513	95.76%
2010	2,109,099	2,042,062	96.82%
2009	2,079,108	2,031,920	97.73%

Comparative Schedule of Tax Rate Information

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	\$ 1.359	1.292	1.170	1.156	1.146
Apportionment of Tax Rate:					
Municipal	0.236	0.236	0.240	0.237	0.238
County	0.265	0.253	0.222	0.215	0.204
Local School	0.858	0.803	0.708	0.704	0.704
Assessed Valuation	176,698,159	177,699,720	180,544,076	181,627,030	180,677,045

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title liens, in relation to the tax levies of the last five years.

<u>Year</u>	Amount of Tax Title <u>Liens</u>	Amount of Delinquent <u>Taxes</u>	Total <u>Delinquent</u>	Percentage of Tax <u>Levy</u>
2013	16,405	92,110	108,515	4.52%
2012	8,373	97,851	106,224	5.01%
2011	5,565	105,118	110,683	5.25%
2010	2,422	89,944	92,366	4.44%
2009	192	64,420	64,612	2.87%

FINDINGS AND RECOMMENDATIONS

None

STATUS OF PRIOR YEAR FINDINGS

Finding 12-1:

Condition:

Interfund balances existed at the end of the year.

Current Status:

This recommendation was cleared during 2013.

RECOMMENDATIONS

None

The problems and weaknesses noted in my review were not of such magnitude that they would affect my ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to my comments or recommendations, or should you desire assistance in implementing my recommendations, please do not hesitate to call me.

Very truly yours,

Ford, Scott & Associates, LLC

Ford, Scott & Associates, LLC
Certified Public Accountants

Kenneth W. Moore

Kenneth W. Moore, CPA
Registered Municipal Accountant
No. 231

February 14, 2014